



Department of Justice

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**JUSTICE DEPARTMENT INTENDS TO FILE ANTITRUST SUIT TO BLOCK
MERGER BETWEEN TWO WATERJET CUTTING EQUIPMENT COMPANIES**

WASHINGTON, D.C. -- The Justice Department's Antitrust Division today announced its opposition to a merger of the two dominant manufacturers in the \$34 million waterjet industry. Waterjet equipment is used to cut everything from poultry and beef to exotic aerospace metals.

The Antitrust Division stated that it intends to file a civil suit to block the acquisition by Flow International Corp. headquartered in Kent, Washington, of Ingersoll-Rand's Waterjet Cutting Systems Division, headquartered in Farmington Hills, Michigan. The companies are the only two major U.S. producers of ultra-high pressure waterjet pumps and related equipment.

"Flow's acquisition of its only significant rival would substantially reduce competition by creating a single dominant firm with almost 90 percent of all waterjet pump sales in the United States," said Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division. "Unless this transaction is

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halted, customers will pay higher prices for this important technology."

Ultra-high pressure pumps are the key components in waterjet cutting and cleaning systems. The pumps pressurize water to extremely high pressures, between 40,000 and 57,000 pounds per square inch. Waterjet systems are used in a wide variety of industrial cutting and cleaning applications, including cutting many soft interior parts for the automotive industry, cutting advanced composite materials and exotic metals for the aerospace and defense industries, slicing and portioning poultry and beef in the food industry, making intricate contour cuts in glass, marble or stone, and cleaning and removing high-temperature coatings from aircraft jet engine components during routine maintenance.

Waterjet cutting systems played a major role in cutting composite structural parts for both the B1B and B2 bombers built for the United States military. Waterjet cutting is also being used to make composite wing and tail-section parts for the new Boeing 777 airliner.

In 1993, total U.S. waterjet sales, including complete ultra-high-pressure waterjet systems, pumps and related replacement and component parts, were approximately \$34 million.

Bingaman noted that this action demonstrates once again the Antitrust Division's strong commitment to stopping proposed

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mergers that will significantly reduce competition and increase prices paid by American consumers.

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